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Chapter No. 5102
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HOUSE BILL NO. 1059

Originated in House Don Richardson Clerk

HOUSE BILL NO. 1059

AN ACT TO AMEND SECTIONS 27-103-125, 27-103-139 AND 27-103-211, MISSISSIPPI CODE OF 1972, TO REVISE THE PERCENTAGE LIMITATION ON LEGISLATIVE APPROPRIATIONS FROM THE STATE GENERAL FUND FOR FISCAL YEARS 2011 AND 2012; TO DIRECT THE STATE FISCAL OFFICER TO TRANSFER CERTAIN AMOUNTS TO THE BUDGET CONTINGENCY FUND FROM THE STATE GENERAL FUND AND CERTAIN SPECIAL FUNDS DURING FISCAL YEARS 2010 AND 2011; TO DIRECT THE STATE FISCAL OFFICER TO TRANSFER CERTAIN AMOUNTS TO THE BUDGET CONTINGENCY FUND DURING FISCAL YEAR 2011 FROM ANY FUNDS TO THE CREDIT OF CERTAIN AGENCIES IF THE FEDERAL GOVERNMENT EXTENDS THE INCREASED FEDERAL MEDICAL ASSISTANCE PERCENTAGE (FMAP) PROVIDED FOR IN THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 BEYOND DECEMBER 31, 2010; TO DIRECT THE STATE FISCAL OFFICER TO TRANSFER SPECIFIED SUMS TO CERTAIN AGENCIES AND FUNDS FROM THE AMOUNT THAT WAS TRANSFERRED TO THE BUDGET CONTINGENCY FUND; TO AUTHORIZE THE AGENCIES AND FUNDS TO WHICH THE FUNDS ARE TRANSFERRED TO ESCALATE THEIR BUDGETS AND EXPEND THOSE FUNDS FOR THE PURPOSES AUTHORIZED BY LAW; TO AMEND SECTION 43-13-407, MISSISSIPPI CODE OF 1972, TO DELETE THE REQUIREMENT FOR REPAYMENT TO THE HEALTH CARE TRUST FUND OF A CERTAIN AMOUNT THAT WAS TRANSFERRED FROM THE TRUST FUND TO THE HEALTH CARE EXPENDABLE FUND DURING FISCAL YEAR 2005; TO TRANSFER ONE HUNDRED TWELVE MILLION DOLLARS FROM THE HEALTH CARE TRUST FUND TO THE HEALTH CARE EXPENDABLE FUND IN FISCAL YEAR 2011; TO AMEND SECTIONS 27-7-309, 27-65-33 AND 27-67-17, MISSISSIPPI CODE OF 1972, WHICH REQUIRE THE EARLY PAYMENT OF WITHHOLDING, SALES AND USE TAX LIABILITY BY CERTAIN TAXPAYERS, TO DELAY UNTIL 2012 THE IMPLEMENTATION OF THE INCREASE IN THE AMOUNT OF THE AVERAGE MONTHLY LIABILITY THAT TRIGGERS THE REQUIREMENT FOR EARLY PAYMENT; TO AMEND SECTION 65-37-13, MISSISSIPPI CODE OF 1972, TO DELAY THE REQUIREMENT FOR APPROPRIATIONS TO THE LOCAL SYSTEM BRIDGE REPLACEMENT AND REHABILITATION PROGRAM; TO AMEND SECTION 25-9-141, MISSISSIPPI CODE OF 1972, TO ESTABLISH AN ANNUAL LIMIT ON THE STATE AGENCY ASSESSMENT BY THE STATE PERSONNEL BOARD; AND FOR RELATED PURPOSES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

SECTION 1. Section 27-103-125, Mississippi Code of 1972, is amended as follows:

27-103-125. The proposed budget of each state agency shall show the amounts required for operating expenses separately from the amounts required for permanent improvements. The overall

budget shall show, separately by each source, the estimated amount of general fund revenue and of special fund revenues of general fund agencies. The total proposed expenditures in Part 1 of the overall budget shall not exceed the amount of estimated revenues that will be available in the general and special funds for appropriation or use during the succeeding fiscal year, including any balances that will be on hand in the general and special funds at the close of the then current fiscal year. The total proposed expenditures from the State General Fund in Part 1 of the overall budget shall not exceed ninety-eight percent (98%) of the amount of general fund revenue estimate for the succeeding fiscal year, plus any unencumbered balances in general funds that will be available and on hand at the close of the then current fiscal year. However, for fiscal years 2010, 2011 and 2012 only, the total proposed expenditures from the State General Fund in Part 1 of the overall budget shall not exceed one hundred percent (100%) of the amount of the general fund revenue estimate for the succeeding fiscal year, plus any unencumbered balances in general funds that will be available and on hand at the close of the then current fiscal year. The general fund revenue estimate shall be the estimate jointly adopted by the Governor and the Joint Legislative Budget Committee. Unencumbered balances in general funds that will be available and on hand at the close of the current fiscal year shall not include projected amounts required to be deposited into the Working Cash-Stabilization Reserve Fund under Section 27-103-203. The Legislative Budget Office may recommend additional taxes or sources of revenue if in its judgment those additional funds are necessary to adequately support the functions of the state government.

SECTION 2. Section 27-103-139, Mississippi Code of 1972, is amended as follows:

27-103-139. On or before November 15 preceding each regular session of the Legislature, except the first regular session of a

new term of office, the Governor shall submit to the members of the Legislature, the Legislative Budget Office or the members-elect, as the case may be, and to the executive head of each state agency a balanced budget for the succeeding fiscal year. The budget submitted shall be prepared in a format that will include performance measurement data associated with the various programs operated by each agency. The total proposed expenditures in the balanced budget shall not exceed the amount of estimated revenues that will be available for appropriation or use during the succeeding fiscal year, including any balances that will be on hand at the close of the then current fiscal year, as determined by the revenue estimate jointly adopted by the Governor and the Legislative Budget Committee. The total proposed expenditures from the State General Fund in the balanced budget shall not exceed ninety-eight percent (98%) of the amount of general fund revenue estimate for the succeeding fiscal year, plus any unencumbered balances in general funds that will be available and on hand at the close of the then current fiscal year. However, for fiscal years 2010, 2011 and 2012 only, the total proposed expenditures from the State General Fund in the balanced budget shall not exceed one hundred percent (100%) of the amount of the general fund revenue estimate for the succeeding fiscal year, plus any unencumbered balances in general funds that will be available and on hand at the close of the then current fiscal year. The general fund revenue estimate shall be the estimate jointly adopted by the Governor and the Joint Legislative Budget Committee. Unencumbered balances in general funds that will be available and on hand at the close of the fiscal year shall not include projected amounts required to be deposited into the Working Cash-Stabilization Reserve Fund and the Education Enhancement Fund under Section 27-103-203.

The revenues used in preparing the balanced budget shall be only those revenues that will be available under the general laws

of the state as they exist when the balanced budget is prepared, and shall not include any proposed revenues that would become available only after the enactment of new legislation. If the Governor has any recommendations for additional proposed expenditures or proposed revenues that are not included in his balanced budget, he shall submit those recommendations in a supplement that is separate from his balanced budget, and whenever the Governor recommends any such additional proposed expenditures, he also shall recommend proposed revenues that are sufficient to fund the additional proposed expenditures, providing specific details regarding the sources and the total amount of those proposed revenues.

The Governor may employ a budget officer for the purpose of receiving information from the State Fiscal Officer and preparing his recommendations on the budget. If the Governor determines that information received from the State Fiscal Officer is not sufficient to enable him to prepare his budget recommendations, he may request an appropriation from the Legislature to provide additional staff within the Governor's office for that purpose. At the first regular session after his election for Governor, the Governor shall submit any budget recommendations plus the required revenue source recommendations no later than January 31 of that year.

SECTION 3. Section 27-103-211, Mississippi Code of 1972, is amended as follows:

27-103-211. The total sum appropriated by the Legislature from the State General Fund for any fiscal year shall not exceed ninety-eight percent (98%) of the general fund revenue estimate for that fiscal year developed by the Tax Commission and the University Research Center and adopted by the Joint Legislative Budget Committee, plus any unencumbered balances in general funds that will be available and on hand at the close of the then current fiscal year. The unencumbered balances in general funds

that will be available and on hand at the close of the fiscal year shall not include projected amounts required to be deposited into the Working Cash-Stabilization Reserve Fund under Section 27-103-203. However, for fiscal years 2010, 2011 and 2012 only, the total sum appropriated by the Legislature from the State General Fund shall not exceed one hundred percent (100%) of the amount of the general fund revenue estimate for that fiscal year, plus any unencumbered balances in general funds that will be available and on hand at the close of the then current fiscal year.

SECTION 4. (1) (a) During fiscal year 2010, the State Fiscal Officer shall transfer to the Budget Contingency Fund the amount listed below from the following fund:

AGENCY/FUND	FUND NO.	AMOUNT
Unclaimed Property Fund	3178	\$1,208,932.00
TOTAL		\$1,208,932.00

(b) From the funds transferred to the Budget Contingency Fund under paragraph (a) of this subsection, the State Fiscal Officer shall transfer the sum of One Million Two Hundred Eight Thousand Nine Hundred Thirty-two Dollars (\$1,208,932.00) to the Mississippi Gaming Commission. The commission is authorized to escalate its budget by the amount transferred to the commission under this paragraph and expend that sum for the purposes authorized by law. The sum transferred to the commission under this paragraph shall be a temporary loan to the commission, and the commission shall repay to the Budget Contingency Fund the full amount of that sum during fiscal year 2011.

(2) During fiscal year 2011, the State Fiscal Officer shall transfer to the Budget Contingency Fund created in Section 27-103-301, out of the following enumerated funds, the amounts listed below from each fund:

AGENCY/FUND	FUND NO.	AMOUNT
State General Fund	2999	\$103,904,000.00

Working Cash-Stabilization

Reserve Fund	3992	80,000,000.00
Unclaimed Property Fund	3178	3,010,952.00
TOTAL		\$186,914,952.00

SECTION 5. (1) If the federal government extends the increased Federal Medical Assistance Percentage (FMAP) provided for in the American Recovery and Reinvestment Act of 2009 beyond December 31, 2010, the State Fiscal Officer shall transfer to the Budget Contingency Fund during fiscal year 2011, from any funds to the credit of the following agencies, the amounts not to exceed those set forth below, subject to subsection (4) of this section:

AGENCY	AMOUNT
Governor's Office - Division of Medicaid	\$153,457,417.00
Department of Mental Health	21,980,290.00
Department of Rehabilitation Services	1,972,886.00
State Department of Health	1,259,801.00
University of Mississippi Medical Center	<u>8,304,015.00</u>
Total	\$186,974,409.00

(2) From the funds transferred to the Budget Contingency Fund under subsection (1) of this section, the State Fiscal Officer shall transfer not more than the specified sums to the agencies or funds listed below, subject to subsection (4) of this section:

AGENCY/FUND	AMOUNT
House Contingent Fund	\$ 349,046.00
Senate Contingent Fund	284,484.00
Joint Legislative Operations	92,206.00
Joint Legislative Code Committee	138,445.00
Joint Legislative Budget Office	192,218.00
Joint Legislative PEER Committee	141,011.00
Energy Council	13,600.00
Uniform State Laws	15,810.00
Interstate Cooperation	100,874.00

Southern States Energy Board	12,357.00
Southern Growth Policy Board	11,975.00
Governor's Office - support	40,543.00
Governor's Mansion	12,329.00
Department of Education -	
Mississippi Adequate Education Program	28,309,201.00
Department of Education -	
General education programs	53,173,562.00
Department of Education -	
Vocation education programs	1,000,000.00
IHL - Executive Office	139,494.00
IHL - Universities - general support	13,357,448.00
IHL - USM - Gulf Coast Research Laboratory	15,320.00
IHL - USM - Stennis Center for Higher Learning	15,319.00
IHL - UM - Research Institute of	
Pharmaceutical Sciences	10,000.00
IHL - UM - Supercomputer	10,000.00
IHL - UM - Small Business Center	10,000.00
IHL - UM - Law Research Institute	639.00
IHL - UM - Medical Center	1,559,565.00
IHL - MSU - Stennis Institute of Government	30,639.00
IHL - MSU - Forest and Wildlife Research Center ...	115,595.00
State Department of Health	1,320,320.00
Department of Mental Health	7,134,091.00
Department of Environmental Quality	300,000.00
Department of Marine Resources	200,000.00
Department of Wildlife, Fisheries and Parks	461,924.00
Mississippi Emergency Management Agency	50,000.00
Department of Public Safety -	
Highway Safety Patrol	1,093,464.00
Veterans Affairs Board	<u>288,521.00</u>
Total	\$110,000,000.00

(3) The agencies/funds listed in subsection (2) of this section are authorized to escalate their budgets during fiscal year 2011 by the respective amounts transferred to each agency/fund in subsection (2) and to expend those sums for the purposes authorized by law.

(4) If the federal government extends the increased Federal Medical Assistance Percentage (FMAP) provided for in the American Recovery and Reinvestment Act of 2009 for a period of less than six (6) months, the amounts in subsections (1) and (2) of this section shall be reduced by a pro rata amount derived from the following calculation: six (6) minus the number of months for which the increase is extended divided by six (6), multiplied by the amounts in subsections (1) and (2).

SECTION 6. Section 43-13-407, Mississippi Code of 1972, is amended as follows:

43-13-407. (1) In accordance with the purposes of this article, there is established in the State Treasury the Health Care Expendable Fund, into which shall be transferred from the Health Care Trust Fund the following sums:

(a) In fiscal year 2005, Four Hundred Fifty-six Million Dollars (\$456,000,000.00);

(b) In fiscal year 2006, One Hundred Eighty-six Million Dollars (\$186,000,000.00);

(c) In fiscal year 2007, One Hundred Eighty-six Million Dollars (\$186,000,000.00);

(d) In fiscal year 2008, One Hundred Six Million Dollars (\$106,000,000.00);

(e) In fiscal year 2009, Ninety-two Million Two Hundred Fifty Thousand Dollars (\$92,250,000.00);

(f) In the fiscal year beginning after the calendar year in which none of the amount of the annual tobacco settlement installment payment will be deposited into the Health Care Expendable Fund as provided in subsection (3)(d) of this section,

and in each fiscal year thereafter, a sum equal to the average annual amount of the dividends, interest and other income, including increases in value of the principal, earned on the funds in the Health Care Trust Fund during the preceding four (4) fiscal years.

(2) In any fiscal year in which interest, dividends and other income from the investment of the funds in the Health Care Trust Fund are not sufficient to fund the full amount of the annual transfer into the Health Care Expendable Fund as required in subsection (1)(f) of this section, the State Treasurer shall transfer from tobacco settlement installment payments an amount that is sufficient to fully fund the amount of the annual transfer.

(3) Beginning with calendar year 2009, at the time that the State of Mississippi receives the tobacco settlement installment payment for each calendar year, the State Treasurer shall deposit the following amounts of each of those installment payments into the Health Care Expendable Fund:

(a) In calendar years 2009 and 2010, the total amount of the installment payment;

(b) In calendar year 2011, the amount of the installment payment less Ten Million Dollars (\$10,000,000.00);

(c) In calendar year 2012, the amount of the installment payment less Twenty Million Dollars (\$20,000,000.00);

(d) In calendar year 2013, and each calendar year thereafter, the amount of the installment payment to be deposited into the Health Care Expendable Fund shall be reduced by an additional Ten Million Dollars (\$10,000,000.00) each calendar year until the calendar year that the amount of the installment payment that otherwise would be deposited into the Health Care Expendable Fund is less than the average annual amount of the dividends, interest and other income, including increases in value of the principal, earned on the funds in the Health Care Trust Fund

during the preceding four (4) fiscal years. Beginning with that calendar year and each calendar year thereafter, none of the amount of the installment payment shall be deposited into the Health Care Expendable Fund.

(4) In addition to any other sums required to be transferred from the Health Care Trust Fund to the Health Care Expendable Fund, the sum of One Hundred Twelve Million Dollars (\$112,000,000.00) shall be transferred from the Health Care Trust Fund to the Health Care Expendable Fund in fiscal year 2011.

(5) If Medicaid expenditures are projected to exceed the amount of funds appropriated to the Division of Medicaid in any fiscal year in excess of the expenditure reductions to providers, funds shall be transferred by the State Fiscal Officer from the Health Care Trust Fund into the Health Care Expendable Fund and then to the Governor's Office, Division of Medicaid, in the amount and at such time as requested by the Governor to reconcile the deficit.

(6) All income from the investment of the funds in the Health Care Expendable Fund shall be credited to the account of the Health Care Expendable Fund. Any funds in the Health Care Expendable Fund at the end of a fiscal year shall not lapse into the State General Fund.

(7) The funds in the Health Care Expendable Fund shall be available for expenditure under specific appropriation by the Legislature beginning in fiscal year 2000, and shall be expended exclusively for health care purposes.

(8) The provisions of subsection (1) of this section may not be changed in any manner except upon amendment to that subsection by a bill enacted by the Legislature with a vote of not less than three-fifths (3/5) of the members of each house present and voting.

(9) Subsections (1), (2), (5), (6) and (7) of this section shall stand repealed on July 1, 2012.

SECTION 7. Section 27-7-309, Mississippi Code of 1972, is amended as follows:

[Until July 1, 2012, this section shall read as follows:]

27-7-309. (1) (a) Except as otherwise provided in this subsection, every employer required to deduct and withhold from wages under this article shall, for each calendar quarter, on or before the fifteenth day of the month following the close of such calendar quarter, file a withholding return as prescribed by the commissioner and pay over to the commissioner the full amount required to be deducted and withheld from wages by such employer for the calendar quarter. Provided that the commissioner may, by regulation, provide that every such employer shall, on or before the fifteenth day of each month, pay over to the commissioner or a depository designated by the commissioner, the amount required to be deducted and withheld by such employer for the preceding month, if such amount is One Hundred Dollars (\$100.00) or more. Returns and payments placed in the mail must be postmarked by the due date in order to be timely filed, except when the due date falls on a weekend or holiday, returns and payments placed in the mail must be postmarked by the first working day following the due date in order to be considered timely filed.

(b) An employer having an average monthly withholding tax liability of at least Twenty Thousand Dollars (\$20,000.00) for the preceding calendar year shall pay to the State Tax Commission on or before June 25, 2003, and on or before the twenty-fifth day of June of each succeeding year thereafter, an amount equal to at least seventy-five percent (75%) of such employer's estimated withholding tax liability for the month of June of the current taxable year, or an amount equal to at least seventy-five percent (75%) of the employer's withholding tax liability for the month of June of the preceding taxable year. Payments required to be made under this paragraph must be received by the State Tax Commission no later than June 25 in order to be considered timely made. An

employer that fails to comply with the requirements of this paragraph may be assessed a penalty in an amount equal to ten percent (10%) of the difference between any amount the taxpayer pays pursuant to this paragraph and the employer's actual withholding tax liability for the month of June for which the estimated payment was required to be made. This paragraph shall not apply to any agency, department or instrumentality of the United States, any agency, department, institution, instrumentality or political subdivision of the State of Mississippi, or any agency, department, institution or instrumentality of any political subdivision of the State of Mississippi. Payments made pursuant to this paragraph for the month of June 2003, less One Hundred Thousand Dollars (\$100,000.00) thereof to be retained by the State Tax Commission to defray the costs of collection, shall be deposited by the State Tax Commission into the Budget Contingency Fund created under Section 27-103-301, and payments made pursuant to this paragraph for the month of June of 2004, and each succeeding year thereafter, less One Hundred Thousand Dollars (\$100,000.00) thereof to be retained by the State Tax Commission each year to defray the costs of collection, shall be deposited by the State Tax Commission into the State General Fund.

(c) The commissioner may promulgate rules and regulations to require or permit filing periods of any duration, in lieu of monthly or quarterly filing periods, for any taxpayer or group thereof.

(2) Notwithstanding any of the other provisions of this section, all transient employers and all employers engaged in any business which is seasonal shall make return and pay over to the commissioner on a monthly basis, the full amounts required to be deducted and withheld from the wages by such employer for the calendar month. Such returns and payments to the commissioner by such employers shall be made on or before the fifteenth day of the

month following the month for which such amounts were deducted and withheld from the wages of his employees. The commissioner shall have the authority to issue reasonable rules and regulations designating or classifying those transient and seasonal employers.

(3) If the commissioner, in any case, has justifiable reason to believe that the collection of funds required to be withheld by any employer as provided herein is in jeopardy, he may require the employer to file a return and pay such amount required to be withheld at any time.

(4) Every employer who fails to withhold or pay to the commissioner any sums required by this article to be withheld and paid, shall be personally and individually liable therefor, except as provided in Section 27-7-307; and any sum or sums withheld in accordance with the provisions of this article shall be deemed to be held in trust for the State of Mississippi and shall be recorded by the employer in a ledger account so as to clearly indicate the amount of tax withheld and that the amount is the property of the State of Mississippi.

(5) Once an employer has become liable to a quarterly return of withholding, he must continue to file a quarterly report, even though no tax has been withheld, until such time as he notifies the commissioner, in writing, that he no longer has employees or that he is no longer liable for such quarterly returns.

(6) Once an employer has become liable to a monthly return of withholding, he must continue to file a monthly report, even though no tax has been withheld until such time as he notifies the commissioner, in writing, that he no longer has employees or that he is no longer liable for such monthly returns.

(7) Magnetic media reporting may be required in a manner to be determined by the commissioner.

[From and after July 1, 2012, this section shall read as follows:]

27-7-309. (1) (a) Except as otherwise provided in this subsection, every employer required to deduct and withhold from wages under this article shall, for each calendar quarter, on or before the fifteenth day of the month following the close of such calendar quarter, file a withholding return as prescribed by the commissioner and pay over to the commissioner the full amount required to be deducted and withheld from wages by such employer for the calendar quarter. Provided that the commissioner may, by regulation, provide that every such employer shall, on or before the fifteenth day of each month, pay over to the commissioner or a depository designated by the commissioner, the amount required to be deducted and withheld by such employer for the preceding month, if such amount is One Hundred Dollars (\$100.00) or more. Returns and payments placed in the mail must be postmarked by the due date in order to be timely filed, except when the due date falls on a weekend or holiday, returns and payments placed in the mail must be postmarked by the first working day following the due date in order to be considered timely filed.

(b) An employer having an average monthly withholding tax liability of at least Fifty Thousand Dollars (\$50,000.00) for the preceding calendar year shall pay to the State Tax Commission on or before June 25, 2013, and on or before the twenty-fifth day of June of each succeeding year thereafter, an amount equal to at least seventy-five percent (75%) of such employer's estimated withholding tax liability for the month of June of the current taxable year, or an amount equal to at least seventy-five percent (75%) of the employer's withholding tax liability for the month of June of the preceding taxable year. Payments required to be made under this paragraph must be received by the State Tax Commission no later than June 25 in order to be considered timely made. An employer that fails to comply with the requirements of this paragraph may be assessed a penalty in an amount equal to ten percent (10%) of the difference between any amount the taxpayer

pays pursuant to this paragraph and the employer's actual withholding tax liability for the month of June for which the estimated payment was required to be made. This paragraph shall not apply to any agency, department or instrumentality of the United States, any agency, department, institution, instrumentality or political subdivision of the State of Mississippi, or any agency, department, institution or instrumentality of any political subdivision of the State of Mississippi. Payments made pursuant to this paragraph for the month of June, less One Hundred Thousand Dollars (\$100,000.00) thereof to be retained by the State Tax Commission each year to defray the costs of collection, shall be deposited by the State Tax Commission into the State General Fund.

(c) The commissioner may promulgate rules and regulations to require or permit filing periods of any duration, in lieu of monthly or quarterly filing periods, for any taxpayer or group thereof.

(2) Notwithstanding any of the other provisions of this section, all transient employers and all employers engaged in any business which is seasonal shall make return and pay over to the commissioner on a monthly basis, the full amounts required to be deducted and withheld from the wages by such employer for the calendar month. Such returns and payments to the commissioner by such employers shall be made on or before the fifteenth day of the month following the month for which such amounts were deducted and withheld from the wages of his employees. The commissioner shall have the authority to issue reasonable rules and regulations designating or classifying those transient and seasonal employers.

(3) If the commissioner, in any case, has justifiable reason to believe that the collection of funds required to be withheld by any employer as provided herein is in jeopardy, he may require the employer to file a return and pay such amount required to be withheld at any time.

(4) Every employer who fails to withhold or pay to the commissioner any sums required by this article to be withheld and paid, shall be personally and individually liable therefor, except as provided in Section 27-7-307; and any sum or sums withheld in accordance with the provisions of this article shall be deemed to be held in trust for the State of Mississippi and shall be recorded by the employer in a ledger account so as to clearly indicate the amount of tax withheld and that the amount is the property of the State of Mississippi.

(5) Once an employer has become liable to a quarterly return of withholding, he must continue to file a quarterly report, even though no tax has been withheld, until such time as he notifies the commissioner, in writing, that he no longer has employees or that he is no longer liable for such quarterly returns.

(6) Once an employer has become liable to a monthly return of withholding, he must continue to file a monthly report, even though no tax has been withheld until such time as he notifies the commissioner, in writing, that he no longer has employees or that he is no longer liable for such monthly returns.

(7) Magnetic media reporting may be required in a manner to be determined by the commissioner.

SECTION 8. Section 27-65-33, Mississippi Code of 1972, is amended as follows:

[Until July 1, 2012, this section shall read as follows:]

27-65-33. (1) Except as otherwise provided in this section, the taxes levied by this chapter shall be due and payable on or before the twentieth day of the month next succeeding the month in which the tax accrues, except as otherwise provided. Returns and payments placed in the mail must be postmarked by the due date in order to be considered timely filed, except when the due date falls on a weekend or holiday, returns and payments placed in the mail must be postmarked by the first working day following the due date in order to be considered timely filed. The taxpayer shall

make a return showing the gross proceeds of sales or the gross income of the business, and any and all allowable deductions, or exempt sales, and compute the tax due for the period covered.

As compensation for collecting sales and use taxes, complying fully with the applicable statutes, filing returns and supplements thereto and paying all taxes by the twentieth of the month following the period covered, the taxpayer may discount and retain two percent (2%) of the liability on each return subject to the following limitations:

(a) The compensation or discount shall not apply to taxes levied under the provisions of Sections 27-65-19 and 27-65-21, or on charges for ginning cotton under Section 27-65-23.

(b) The compensation or discount shall not apply to taxes collected by a county official or state agency.

(c) The compensation or discount shall not exceed Fifty Dollars (\$50.00) per month, or Six Hundred Dollars (\$600.00) per calendar year, per business location on each state sales tax return, or on each use tax return.

(d) The compensation or discount shall not apply to any wholesale tax, the rate of which is equal to or greater than the tax rate applicable to retail sales of the same property or service. The retailer of such items shall be entitled to the compensation based on the tax computed on retail sales before application of the credit for any tax paid to the wholesaler, jobber, or other person.

(e) The compensation or discount allowed and taken for any filing period may be reassessed and collected when an audit of a taxpayer's records reveals a tax deficiency for that period.

(2) A taxpayer required to collect sales taxes under this chapter and having an average monthly sales tax liability of at least Twenty Thousand Dollars (\$20,000.00) for the preceding calendar year shall pay to the State Tax Commission on or before June 25, 2003, and on or before the twenty-fifth day of June of

each succeeding year thereafter, an amount equal to at least seventy-five percent (75%) of such taxpayer's estimated sales tax liability for the month of June of the current calendar year, or an amount equal to at least seventy-five percent (75%) of the taxpayer's sales tax liability for the month of June of the preceding calendar year. Payments required to be made under this subsection must be received by the State Tax Commission no later than June 25 in order to be considered timely made. A taxpayer that fails to comply with the requirements of this subsection may be assessed a penalty in an amount equal to ten percent (10%) of the difference between any amount the taxpayer pays pursuant to this subsection and the taxpayer's actual sales tax liability for the month of June for which the estimated payment was required to be made. Payments made by a taxpayer under this subsection shall not be considered to be collected for the purposes of any sales tax diversions required by law until the taxpayer files a return for the actual sales taxes collected during the month of June. This subsection shall not apply to any agency, department or instrumentality of the United States, any agency, department, institution, instrumentality or political subdivision of the State of Mississippi, or any agency, department, institution or instrumentality of any political subdivision of the State of Mississippi. Payments made pursuant to this subsection for the month of June 2003, shall be deposited by the State Tax Commission into the Budget Contingency Fund created under Section 27-103-301, and payments made pursuant to this subsection for the month of June of 2004, and each succeeding year thereafter, shall be deposited by the State Tax Commission into the State General Fund.

(3) All returns shall be sworn to by the taxpayer, if made by an individual, or by the president, vice president, secretary or treasurer of a corporation, or authorized agent, if made on behalf of a corporation. If made on behalf of a partnership, joint venture, association, trust, estate, or in any other group

or combination acting as a unit, any individual delegated by such firm shall swear to the return on behalf of the taxpayer. The commissioner may prescribe methods by which the taxpayer may swear to his return.

(4) The commissioner may promulgate rules and regulations to require or permit filing periods of any duration, in lieu of monthly filing periods, for any taxpayer or group thereof.

(5) The commissioner may require the execution and filing by the taxpayer with the commissioner of a good and solvent bond with some surety company authorized to do business in Mississippi as surety thereon in an amount double the aggregate tax liability by such taxpayer for any previous three (3) months' period within the last calendar year or estimated three (3) months' tax liability. The bond is to be conditioned for the prompt payment of such taxes as may be due for each such return.

(6) The commissioner, for good cause, may grant such reasonable additional time within which to make any return required under the provisions of this chapter as he may deem proper, but the time for filing any return shall not be extended beyond the twentieth of the month next succeeding the regular due date of the return without the imposition of interest at the rate of one percent (1%) per month or fractional part of a month from the time the return was due until the tax is paid.

(7) For persistent, willful, or recurring failure to make any return and pay the tax shown thereby to be due by the time specified, there shall be added to the amount of tax shown to be due ten percent (10%) damages, or interest at the rate of one percent (1%) per month, or both.

(8) Any taxpayer may, upon making application therefor, obtain from the commissioner an extension of time for the payment of taxes due on credit sales until collections thereon have been made. When such extension is granted, the taxpayer shall thereafter include in each monthly or quarterly report all

collections made during the preceding month or quarter, and shall pay the taxes due thereon at the time of filing such report. Such permission may be revoked or denied at the discretion of the commissioner when, in his opinion, a total sales basis will best reflect the taxable income or expedite examination of the taxpayer's records.

(9) Any taxpayer reporting credit sales before collection thereof has been made may take credit on subsequent returns or reports for bad debts actually charged off, if such amounts charged off have previously been included in taxable gross income or taxable gross proceeds of sales, as the case may be, and the tax paid thereon. However, any amounts subsequently collected on accounts that have been charged off as bad debts shall be included in subsequent reports and the tax shall be paid thereon.

(10) In cases where an extension of time has been granted by the commissioner for payment of taxes due on credit sales and the taxpayer thereafter discontinues the business, such taxpayer shall be required to file with the commissioner within ten (10) days, or such further time as the commissioner may direct, from the date of the discontinuance of such business, a special report showing the amounts of any credit sales which have not been included in determining the measure of the tax previously paid and any other information with reference to credit sales as the commissioner may require. The commissioner shall thereupon investigate the facts with reference to credit sales and the condition of the accounts, and shall determine, from the best evidence available, the value of all open accounts, notes, or other evidence of debt arising from credit sales. The value of all notes, open accounts and other evidence of debt, as thus determined by the commissioner, shall be used in determining the amount of the tax for which such taxpayer shall be liable. When the amount of the tax shall have been ascertained, the taxpayer shall be required to pay the same within ten (10) days or such further time as the commissioner may

allow, notwithstanding the fact that such note or accounts may still remain uncollected.

[From and after July 1, 2012, this section shall read as follows:]

27-65-33. (1) Except as otherwise provided in this section, the taxes levied by this chapter shall be due and payable on or before the twentieth day of the month next succeeding the month in which the tax accrues, except as otherwise provided. Returns and payments placed in the mail must be postmarked by the due date in order to be considered timely filed, except when the due date falls on a weekend or holiday, returns and payments placed in the mail must be postmarked by the first working day following the due date in order to be considered timely filed. The taxpayer shall make a return showing the gross proceeds of sales or the gross income of the business, and any and all allowable deductions, or exempt sales, and compute the tax due for the period covered.

As compensation for collecting sales and use taxes, complying fully with the applicable statutes, filing returns and supplements thereto and paying all taxes by the twentieth of the month following the period covered, the taxpayer may discount and retain two percent (2%) of the liability on each return subject to the following limitations:

(a) The compensation or discount shall not apply to taxes levied under the provisions of Sections 27-65-19 and 27-65-21, or on charges for ginning cotton under Section 27-65-23.

(b) The compensation or discount shall not apply to taxes collected by a county official or state agency.

(c) The compensation or discount shall not exceed Fifty Dollars (\$50.00) per month, or Six Hundred Dollars (\$600.00) per calendar year, per business location on each state sales tax return, or on each use tax return.

(d) The compensation or discount shall not apply to any wholesale tax, the rate of which is equal to or greater than the

tax rate applicable to retail sales of the same property or service. The retailer of such items shall be entitled to the compensation based on the tax computed on retail sales before application of the credit for any tax paid to the wholesaler, jobber or other person.

(e) The compensation or discount allowed and taken for any filing period may be reassessed and collected when an audit of a taxpayer's records reveals a tax deficiency for that period.

(2) A taxpayer required to collect sales taxes under this chapter and having an average monthly sales tax liability of at least Fifty Thousand Dollars (\$50,000.00) for the preceding calendar year shall pay to the State Tax Commission on or before June 25, 2013, and on or before the twenty-fifth day of June of each succeeding year thereafter, an amount equal to at least seventy-five percent (75%) of such taxpayer's estimated sales tax liability for the month of June of the current calendar year, or an amount equal to at least seventy-five percent (75%) of the taxpayer's sales tax liability for the month of June of the preceding calendar year. For the purposes of calculating a taxpayer's estimated sales tax liability for the month of June of the current calendar year, the taxpayer does not have to include taxes due on credit sales for which the taxpayer has not received payment before June 20. Payments required to be made under this subsection must be received by the State Tax Commission no later than June 25 in order to be considered timely made. A taxpayer that fails to comply with the requirements of this subsection may be assessed a penalty in an amount equal to ten percent (10%) of the difference between any amount the taxpayer pays pursuant to this subsection and the taxpayer's actual sales tax liability for the month of June for which the estimated payment was required to be made. Payments made by a taxpayer under this subsection shall not be considered to be collected for the purposes of any sales tax diversions required by law until the taxpayer files a return

for the actual sales taxes collected during the month of June. This subsection shall not apply to any agency, department or instrumentality of the United States, any agency, department, institution, instrumentality or political subdivision of the State of Mississippi, or any agency, department, institution or instrumentality of any political subdivision of the State of Mississippi.

(3) All returns shall be sworn to by the taxpayer, if made by an individual, or by the president, vice president, secretary or treasurer of a corporation, or authorized agent, if made on behalf of a corporation. If made on behalf of a partnership, joint venture, association, trust, estate, or in any other group or combination acting as a unit, any individual delegated by such firm shall swear to the return on behalf of the taxpayer. The commissioner may prescribe methods by which the taxpayer may swear to his return.

(4) The commissioner may promulgate rules and regulations to require or permit filing periods of any duration, in lieu of monthly filing periods, for any taxpayer or group thereof.

(5) The commissioner may require the execution and filing by the taxpayer with the commissioner of a good and solvent bond with some surety company authorized to do business in Mississippi as surety thereon in an amount double the aggregate tax liability by such taxpayer for any previous three-month period within the last calendar year or estimated three (3) months' tax liability. The bond is to be conditioned for the prompt payment of such taxes as may be due for each such return.

(6) The commissioner, for good cause, may grant such reasonable additional time within which to make any return required under the provisions of this chapter as he may deem proper, but the time for filing any return shall not be extended beyond the twentieth of the month next succeeding the regular due date of the return without the imposition of interest at the rate

of one percent (1%) per month or fractional part of a month from the time the return was due until the tax is paid.

(7) For persistent, willful or recurring failure to make any return and pay the tax shown thereby to be due by the time specified, there shall be added to the amount of tax shown to be due ten percent (10%) damages, or interest at the rate of one percent (1%) per month, or both.

(8) Any taxpayer may, upon making application therefor, obtain from the commissioner an extension of time for the payment of taxes due on credit sales until collections thereon have been made. When such extension is granted, the taxpayer shall thereafter include in each monthly or quarterly report all collections made during the preceding month or quarter, and shall pay the taxes due thereon at the time of filing such report. Such permission may be revoked or denied at the discretion of the commissioner when, in his opinion, a total sales basis will best reflect the taxable income or expedite examination of the taxpayer's records.

(9) Any taxpayer reporting credit sales before collection thereof has been made may take credit on subsequent returns or reports for bad debts actually charged off, if such amounts charged off have previously been included in taxable gross income or taxable gross proceeds of sales, as the case may be, and the tax paid thereon. However, any amounts subsequently collected on accounts that have been charged off as bad debts shall be included in subsequent reports and the tax shall be paid thereon.

(10) In cases where an extension of time has been granted by the commissioner for payment of taxes due on credit sales and the taxpayer thereafter discontinues the business, such taxpayer shall be required to file with the commissioner within ten (10) days, or such further time as the commissioner may direct, from the date of the discontinuance of such business, a special report showing the amounts of any credit sales which have not been included in

determining the measure of the tax previously paid and any other information with reference to credit sales as the commissioner may require. The commissioner shall thereupon investigate the facts with reference to credit sales and the condition of the accounts, and shall determine, from the best evidence available, the value of all open accounts, notes or other evidence of debt arising from credit sales. The value of all notes, open accounts and other evidence of debt, as thus determined by the commissioner, shall be used in determining the amount of the tax for which such taxpayer shall be liable. When the amount of the tax shall have been ascertained, the taxpayer shall be required to pay the same within ten (10) days or such further time as the commissioner may allow, notwithstanding the fact that such note or accounts may still remain uncollected.

SECTION 9. Section 27-67-17, Mississippi Code of 1972, is amended as follows:

[Until July 1, 2012, this section shall read as follows:]

27-67-17. (1) Except as otherwise provided in this section, the commissioner shall collect the tax imposed by this article, and every person subject to its provisions shall remit to the commissioner, on or before the twentieth day of each month, the amount of tax due by such person for the preceding calendar month. Returns and payments placed in the mail must be postmarked by the due date in order to be timely filed, except that when the due date falls on a weekend or holiday, returns and payments placed in the mail must be postmarked by the first working day following the due date in order to be considered timely filed. Every taxpayer shall file a return with his remittance, which return shall be prescribed by the commissioner and shall show for the calendar month preceding the tax payment date, the total sale or purchase price, or value of tangible personal property or specified digital products sold, used, stored or consumed by him for benefit received or service performed, and such other information as the

commissioner may deem pertinent and necessary for determining the amount of tax due thereunder.

(2) The commissioner, in his discretion, may authorize in writing the filing of returns and the payment of tax on a quarterly basis by any person required or authorized to pay the tax imposed, such authority to be subject to revocation for good cause by the commissioner.

(3) In instances where it is impractical to file returns and pay the tax monthly or quarterly, the commissioner may authorize the filing of semiannual or annual returns.

(4) A taxpayer required to collect use taxes under this article and having an average monthly use tax liability of at least Twenty Thousand Dollars (\$20,000.00) for the preceding calendar year shall pay to the State Tax Commission on or before June 25, 2003, and on or before the twenty-fifth day of June of each succeeding year thereafter, an amount equal to at least seventy-five percent (75%) of such taxpayer's estimated use tax liability for the month of June of the current calendar year, or an amount equal to at least seventy-five percent (75%) of the taxpayer's use tax liability for the month of June of the preceding calendar year. Payments required to be made under this subsection must be received by the State Tax Commission no later than June 25 in order to be considered timely made. A taxpayer that fails to comply with the requirements of this subsection may be assessed a penalty in an amount equal to ten percent (10%) of the difference between any amount the taxpayer pays pursuant to this subsection and the taxpayer's actual use tax liability for the month of June for which the estimated payment was required to be made. Payments made by a taxpayer under this subsection shall not be considered to be collected for the purposes of any use tax diversions required by law until the taxpayer files a return for the actual use taxes collected during the month of June. This subsection shall not apply to any agency, department or

instrumentality of the United States, any agency, department, institution, instrumentality or political subdivision of the State of Mississippi, or any agency, department, institution or instrumentality of any political subdivision of the State of Mississippi.

(5) The commissioner, in his discretion, may authorize the computation of the tax on the basis of a formula in lieu of direct accounting of specific properties in instances where such method will expedite, simplify or provide a more equitable means of determining liability under this article. All formulas shall be subject to revocation for good cause by the commissioner.

[From and after July 1, 2012, this section shall read as follows:]

27-67-17. (1) Except as otherwise provided in this section, the commissioner shall collect the tax imposed by this article, and every person subject to its provisions shall remit to the commissioner, on or before the twentieth day of each month, the amount of tax due by such person for the preceding calendar month. Returns and payments placed in the mail must be postmarked by the due date in order to be timely filed, except that when the due date falls on a weekend or holiday, returns and payments placed in the mail must be postmarked by the first working day following the due date in order to be considered timely filed. Every taxpayer shall file a return with his remittance, which return shall be prescribed by the commissioner and shall show for the calendar month preceding the tax payment date, the total sale or purchase price, or value of tangible personal property or specified digital products sold, used, stored or consumed by him for benefit received or service performed, and such other information as the commissioner may deem pertinent and necessary for determining the amount of tax due thereunder.

(2) The commissioner, in his discretion, may authorize in writing the filing of returns and the payment of tax on a

quarterly basis by any person required or authorized to pay the tax imposed, such authority to be subject to revocation for good cause by the commissioner.

(3) In instances where it is impractical to file returns and pay the tax monthly or quarterly, the commissioner may authorize the filing of semiannual or annual returns.

(4) A taxpayer required to collect use taxes under this article and having an average monthly use tax liability of at least Fifty Thousand Dollars (\$50,000.00) for the preceding calendar year shall pay to the State Tax Commission on or before June 25, 2013, and on or before the twenty-fifth day of June of each succeeding year thereafter, an amount equal to at least seventy-five percent (75%) of such taxpayer's estimated use tax liability for the month of June of the current calendar year, or an amount equal to at least seventy-five percent (75%) of the taxpayer's use tax liability for the month of June of the preceding calendar year. Payments required to be made under this subsection must be received by the State Tax Commission no later than June 25 in order to be considered timely made. A taxpayer that fails to comply with the requirements of this subsection may be assessed a penalty in an amount equal to ten percent (10%) of the difference between any amount the taxpayer pays pursuant to this subsection and the taxpayer's actual use tax liability for the month of June for which the estimated payment was required to be made. Payments made by a taxpayer under this subsection shall not be considered to be collected for the purposes of any use tax diversions required by law until the taxpayer files a return for the actual use taxes collected during the month of June. This subsection shall not apply to any agency, department or instrumentality of the United States, any agency, department, institution, instrumentality or political subdivision of the State of Mississippi, or any agency, department, institution or

instrumentality of any political subdivision of the State of Mississippi.

(5) The commissioner, in his discretion, may authorize the computation of the tax on the basis of a formula in lieu of direct accounting of specific properties in instances where such method will expedite, simplify or provide a more equitable means of determining liability under this article. All formulas shall be subject to revocation for good cause by the commissioner.

SECTION 10. Section 65-37-13, Mississippi Code of 1972, is amended as follows:

65-37-13. (1) There is created in the State Treasury a special fund to be designated as the "Local System Bridge Replacement and Rehabilitation Fund." The fund shall consist of monies that the Legislature appropriates under subsection (2) of this section, the proceeds of bonds issued under Section 10 of Chapter 557, Laws of 2009, and any other monies that the Legislature may designate for deposit into the fund. Monies in the fund may be expended upon legislative appropriation in accordance with the provisions of Sections 65-37-1 through 65-37-15.

(2) (a) During each regular legislative session held in calendar years 1995, 1996, 1997 and 1998, if the official General Fund revenue estimate for the succeeding fiscal year for which appropriations are being made reflects a growth in General Fund revenues of three percent (3%) or more for that succeeding fiscal year, then the Legislature shall appropriate Twenty-five Million Dollars (\$25,000,000.00) from the State General Fund for deposit into the Local System Bridge Replacement and Rehabilitation Fund.

(b) During the regular legislative session held in calendar year 1999, if the official General Fund revenue estimate for the succeeding fiscal year for which appropriations are being made reflects a growth in General Fund revenues of two percent (2%) or more for the succeeding fiscal year, then the Legislature

shall appropriate Ten Million Dollars (\$10,000,000.00) from the State General Fund for deposit into the Local System Bridge Replacement and Rehabilitation Fund.

(c) Except as otherwise provided in this paragraph (c), during each regular legislative session held in calendar years 2001 through 2016, if the official General Fund revenue estimate for the succeeding fiscal year for which appropriations are being made reflects a growth in General Fund revenues of two percent (2%) or more for the succeeding fiscal year, then the Legislature shall appropriate Twenty Million Dollars (\$20,000,000.00) from the State General Fund for deposit into the Local System Bridge Replacement and Rehabilitation Fund. However, during the regular legislative sessions held in calendar years 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010 and 2011, the Legislature shall not be required to appropriate funds for deposit into the Local System Bridge Replacement and Rehabilitation Fund.

(3) Monies that are deposited into the fund under the provisions of this section may be expended upon requisition therefor by the State Aid Engineer in accordance with the provisions of Sections 65-37-1 through 65-37-15. The Office of State Aid Road Construction shall be entitled to reimbursement from monies in the fund, upon requisitions therefor by the State Aid Engineer, for the actual expenses incurred by the office in administering the provisions of the local system bridge replacement and rehabilitation program. Unexpended amounts remaining in the fund at the end of a fiscal year shall not lapse into the State General Fund, and any interest earned on amounts in the fund shall be deposited to the credit of the fund.

(4) Monies in the Local System Bridge Replacement and Rehabilitation Fund shall be allocated and become available for distribution to counties in accordance with the formula prescribed in Section 65-37-3 beginning January 1, 1995, on a project-by-project basis. Monies in the Local System Bridge

Replacement and Rehabilitation Fund may not be used or expended for any purpose except as authorized under Sections 65-37-1 through 65-37-15.

(5) Monies in the Local System Bridge Replacement and Rehabilitation Fund may be credited to a county in advance of the normal accrual to finance certain projects, subject to the approval of the State Aid Engineer and subject further to the following limitations:

(a) That the maximum amount of such monies that may be advanced to any county shall not exceed ninety percent (90%) of the funds estimated to accrue to such county during the remainder of the term of office of the board of supervisors of such county;

(b) That no advance credit of funds will be made to any county when the unobligated balance in the Local System Bridge Replacement and Rehabilitation Fund is less than One Million Dollars (\$1,000,000.00); and

(c) That such advance crediting of funds be effected by the State Aid Engineer at the time of the approval of the plans and specifications for the proposed projects.

It is the intent of this provision to utilize to the fullest practicable extent the balance of monies in the Local System Bridge Replacement and Rehabilitation Fund on hand at all times.


SECTION 11. Section 25-9-141, Mississippi Code of 1972, is amended as follows:

25-9-141. The State Personnel Board may, in the discretion of the Legislature, operate from special funds provided from department, agency and institution assessments. If the Legislature adopts the assessment procedure, the cost of those operations shall be prorated among all departments, agencies and institutions, based upon the number of employment positions authorized and/or serviced by the board, and the departments, agencies and institutions shall pay their share of the cost upon receipt of billing from the board. However, for the period

beginning July 1, 2010, and ending June 30, 2011, the annual
agency assessment authorized in this section shall not be less
than One Hundred Twenty Dollars (\$120.00) nor more than One
Hundred Twenty-seven Dollars (\$127.00) per State Personnel Board
PIN number.

SECTION 12. This act shall take effect and be in force from
and after its passage.

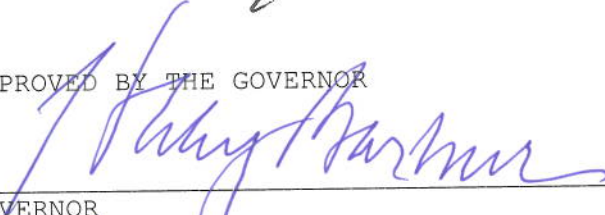
PASSED BY THE HOUSE OF REPRESENTATIVES
April 21, 2010


SPEAKER OF THE HOUSE OF REPRESENTATIVES

PASSED BY THE SENATE
April 21, 2010


PRESIDENT OF THE SENATE

APPROVED BY THE GOVERNOR


GOVERNOR

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